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CURRENT SUPPORT BRIEF

EAST GERMAN VULNERABILITY IN THE FIELD OF OCEAN TRANSPORT

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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EAST GERMAN VULNERABILITY IN THE FIELD OF OCEAN TRANSPORT

According to a recent report members of the East German State Planning Commission are concerned about Western interference with East German sea traffic in the event that a separate peace treaty is signed with the USSR. They recognized that several courses are open to the West, that sea traffic could represent a serious vulnerability, and favored an investigation of the situation. 1/

Ocean transport is patently an East German vulnerability, but an investigation by East German officials would undoubtedly disclose alleviating measures which could be taken by East Germany in cooperation with other countries in the Sino-Soviet Bloc to counter an attempt on the part of the West to exploit the vulnerability of ocean transport.

1. Port of Hamburg

The most obvious point of vulnerability is the amount of East German traffic through the port of Hamburg. This traffic has ranged from 1.8 million tons in 1956 to 1.0 million tons in 1958 to about 1.7 million tons in 1960. 2/ Because of the growth of total East German seaborne foreign trade, however, the percent moving through Hamburg has declined from about 38 percent in 1956 to 23 percent in 1960.

East Germany has already taken steps to lessen its dependence upon Hamburg, by issuing orders in December 1960 to all trade organizations to avoid routing cargo via Hamburg, 3/ by developing the capacity of East German ports, and by routing more cargo through Polish ports. Traffic through Hamburg in the first quarter of 1961 was 22 percent lower than in the first quarter of 1960. Polish ports in 1960 handled twice as much East German cargo, 1.1 million tons, as in 1959, and the trend is undoubtedly continuing. 4/ It is believed that Polish ports could easily absorb the amounts presently moving through Hamburg, and Poland has in fact been soliciting this traffic. Cargo handled in East German ports has increased from 2.65 million tons in 1956 to 4.46 million tons in 1960, 5/ and is planned at 6.1 million tons in 1961. 6/

It appears obvious, therefore, that denial of the port of Hamburg to East German seaborne trade would cause only minor and temporary disruption of traffic.

2. Kiel Canal

At least 4 and possibly 5 million tons of East German sea traffic in 1961 will transit the Kiel Canal. Closing of the Kiel to traffic to and from East Germany would be a hindrance and an expense rather than a serious disruption. The voyage around Denmark via the Skagerrak would increase the steaming time of most ships by only one day. In fact, in late December 1960 East Germany ordered all of its own ocean-going ships to take the Skagerrak route, 7/ and no exceptions to that order have been noted since 1 January 1961. The greatest problem would be the loss of liner service to East German ports, which undoubtedly could be eased through greater use of Polish liner services. There would also be the difficulty of the determining by West Germany which ships were in fact carrying East German cargo in the event subterfuge were used by the shippers and the carriers, as has happened in the past in other connections.

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3. NATO Shipping Services

Herein lies the largest single vulnerability of East German ocean transport and a potentially serious one. Between 20 and 25 percent of the volume of all East German foreign trade moves by sea and most of the seaborne trade is with areas not connected by land routes. ^{8/} Seaborne trade in 1961 will probably amount to more than 8.5 million tons, of which only about 3.5 million tons would be carried, under normal circumstances, by East German, Polish and Soviet ships. Of the remaining minimum of 5 million tons to be carried in non-Bloc ships, about 85 to 90 percent will probably move on ships flying the flags of NATO countries. Very little of this seaborne trade is with NATO nations and a general trade embargo by NATO would not noticeably reduce East German need for ocean transport services. A successful embargo by NATO on shipping services to East Germany could have immediate and serious disruptive effects.

There are, however, alleviating measures East Germany can take, both in advance preparation against such an embargo and steps to be taken after an embargo. About 40 percent of the tonnage of the active world fleet is not under NATO flags, notably the tramp fleets of Panama, Liberia and Lebanon which account for about 25 million deadweight tons. ^{9/} Only about 10 million DWT of these ships are under "effective US control," ships with whose owners the United States government has contractual agreements concerning their use. ^{10/} In addition a portion of the fleets of other non-NATO nations which have sizeable fleets, for example Finland, Sweden, Argentina, Brazil, and Yugoslavia whose fleets total over 10 million DWT, might be expected to be a source of shipping. In the present period of depression in the world shipping market, considerable non-NATO shipping service would undoubtedly be available for use by East Germany, except for the numerous small coasters operating in the Baltic and North Sea area, most of which are carrying East German trade with NATO nations. As an advance measure East Germany could now begin chartering more of these non-NATO flag ships.

As a post-embargo measure, negotiations could be started now to have Polish and Soviet ships carry substantially more East German cargo in the event of emergency, possibly as much as 5 to 6 million tons. Assuming that no restrictive measures were taken against Poland and the USSR, these two countries could handle their own cargo through increased charter of NATO ships, including time charters for the liner-type cargoes.

4. Conclusions

Although East Germany is highly dependent upon non-Bloc shipping, at present principally NATO shipping, there are several methods, as outlined above, by which East Germany can lessen the dependence upon NATO shipping services. Furthermore whether NATO members would combine to bring governmental restrictions upon their ship owners is problematical. It should be remembered, for example, that during the Korean War ships of most of the NATO flags continued to serve China.

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